

LEWIS
AND
ROCA
LLP
LAWYERS

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3993 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89169-5996
Facsimile (702) 949-8321
Telephone (702) 949-8320

Susan M. Freeman AZ State Bar No. 004199
Email: sfreeman@lrlaw.com
Rob Charles NV State Bar No. 006593
Email: rcharles@lrlaw.com
John Hinderaker AZ State Bar No. 018024
Email: jhinderaker@lrlaw.com

Attorneys for USACM Liquidating Trust

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

USA CAPITAL REALTY ADVISORS,
LLC,

USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED
FUND, LLC,¹

USA SECURITIES, LLC,²

Debtors.

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR¹
Case No. BK-S-06-10729-LBR²

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**RESPONSE TO THE RIEGER'S
OBJECTION TO DRAFT ORDER
DENYING SUMMARY JUDGMENT**

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

On December 20, 2007, the Court heard the USACM Liquidating Trust's Motion for Summary Judgment Regarding Responses to USACM Trust's First Through Third Omnibus Objections to Claims Asserting a Priority Status ("Motion") [DE 4291] as that motion related to Proof of Claim No. 10725-01739 filed by Larry and Patsy Rieger. The

¹ This bankruptcy case was closed on October 12, 2007.

² This bankruptcy case was closed on December 26, 2007.

1 Motion sought to reclassify the Rieger's priority claim as a general unsecured claim. At
 2 the hearing, the Court denied the Motion. On January 29, 2008, the USACM Trust
 3 uploaded a form of order for the Court's consideration.

4 The Riegers have filed an objection to the order [5754], which claims that the Court
 5 ordered that the Rieger's priority claim be "rolled with" the Rieger's other unsecured non-
 6 priority claims and mediated by the Trust "within a specified time frame." The Rieger's
 7 objection includes a copy of the transcript from the hearing. Following much discussion
 8 about how to handle the Riegers' claims, on pages 21 to 23 of the transcript, the Court
 9 simply denies the Motion without combining the claims, requiring mediation or setting
 10 any deadlines. This makes sense. The Trust is not yet in a position to start negotiating
 11 specific direct lender claims because so many loans remain outstanding.

12 As an aside, in early January, the Trust offered to meet with the Riegers to review
 13 the accounting related to the prepaid interest deductions in hopes of resolving the Rieger's
 14 priority claim. The Riegers have not responded to the Trust's offer.

15 The Court should sign the proposed form of order as it accurately reflects the
 16 Court's ruling.

17 Dated: February 7, 2008.

18 LEWIS AND ROCA LLP

19
 20 By /s/ Rob Charles (#6593)

Susan M. Freeman, AZ 4199 (*pro hac vice*)

Rob Charles, NV 6593

John C. Hinderaker, AZ 18024 (*pro hac vice*)

3993 Howard Hughes Parkway, Suite 600

Las Vegas, Nevada 89169

Telephone: (702) 949-8200

Facsimile: (702) 949-8398

E-mail: rcharles@lrlaw.com

Attorneys for the USACM Liquidating Trust

1 Copy of the foregoing mailed by first class
2 Postage prepaid U.S. mail
3 on February 7, 2008 to:

4 Larry and Patsy Rieger, Trustees
5 The Larry L. Rieger and
6 Patsy R. Rieger Revocable Trust
7 Dtd 8/14/91
8 2615 Glen Eagles Drive
9 Reno, NV 89523

10 August B. Landis
11 Assistant United States Trustee
12 Office of the U.S. Trustee
13 Las Vegas Field Office
14 Suite 4300
15 300 Las Vegas Blvd., So.
16 Las Vegas, NV 89101

17 /s/ Renee L. Creswell
18 Renee L. Creswell
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